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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016 / 2017

BMG 3024 CROSS CULTURAL MANAGEMENT (All Sections / Groups)

9 MARCH 2017
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

This examination paper consists of **FIVE (5)** pages in **TWO (2)** Sections:

1. **Section A** – 20 Multiple choice questions (40 marks)
Instruction: Answer **ALL** questions. Shade your answers in the OMR answer sheet provided using a '2B' or 'BB' pencil.
2. **Section B** – 3 Essay questions (60 marks) – All questions carry equal marks.
Instruction: Answer **ALL** questions. Write your answers in the answer booklet provided.

SECTION A (40 Marks)**Answer ALL questions**

Identify the letter of the choice that best completes the statement or answer the question.

All questions carry two (2) marks each.

Shade your choice of answers in the OMR answer sheet provided.

1. Which of the following BEST describes nationalization?
 - A. Outsourcing of governmental functions to private entities
 - B. Hiring preferences given to locals rather than expatriates
 - C. Government's gradual and subtle actions against a firm
 - D. Forced sale of an MNC's assets to local buyers

2. Expropriation is most likely to occur in a country that has _____.
 - A. numerous MNCs in operation
 - B. a capitalistic economic system in place
 - C. constant political upheaval and change
 - D. stable economic growth and political consistency

3. Zagreb Inc., a transnational energy company, negotiates a multimillion-dollar contract with the government to provide electricity to Pilladia. The government is voted out of power shortly after. The new government cancels all contracts it has with all oil companies but not contracts with firms in other industries. This is an example of _____.
 - A. barriers to repatriation
 - B. micropolitical risk
 - C. protectionism
 - D. confiscation

4. In recent years, which of the following has lessened the criticisms of MNCs?
 - A. Dissolution of MNCs in developing countries
 - B. Increasing economic differences among countries
 - C. Greater emphasis on social responsibility by MNCs
 - D. Limited emphasis on social responsibility and ethical behavior

5. Which of the following significantly increases the complexity of social responsibility and ethical behavior of MNCs?
 - A. Difficulties posed in training managers from different cultures
 - B. Additional stakeholders associated with the firm's activities
 - C. Distance between the headquarters and the subsidiaries
 - D. International laws, regulations, and moral principles

Continued.....

6. McDonald's, a fast-food chain headquartered in the United States, applies the morality it practices in the United States to all foreign countries in which it operates. McDonald's is adhering to _____.
 - A. moral universalism
 - B. ethical relativism
 - C. ethnocentrism
 - D. geocentrism

7. Which of the following is a primary focus of the research that is carried out by Transparency International?
 - A. Relative prevalence of bribery in various spheres of people's lives
 - B. Existence of child labor in various developing countries
 - C. Relative prevalence of dictatorship in various countries
 - D. Existence of bonded labor in various countries

8. Trust improves cross-cultural communication by _____.
 - A. making sure that all of the business transactions are based on arm's-length relationships
 - B. encouraging the open exchange of ideas and information
 - C. replacing formal legal contracts for global firms
 - D. helping people plan for known circumstances

9. Brenda is the head of a sports firm in Sweden. In order to communicate effectively with her workers, Brenda should _____.
 - A. build friendly relationships and encourage two-way dialogues
 - B. communicate information in a direct and explicit way
 - C. communicate information with facts and figures
 - D. exchange gifts with her employees frequently

10. Which of the following is one of the reasons that language frequently causes miscommunication during international business situations?
 - A. Conveying information using appropriate body language or symbols
 - B. Speaking the local language with a native accent
 - C. Frequent use of idioms with explanations
 - D. Translating a local language too literally

Continued.....

11. Which of the following will a person working in a high-contact culture most likely experience?
- A. Coworkers spending time together socially
 - B. Managers using hand motions to express emotion
 - C. Coworkers putting an arm over their colleague's back
 - D. Managers bowing to their seniors as a token of respect
12. Restrictive trade barriers most likely influence the globalization of businesses by encouraging firms to _____.
- A. import supplies from foreign vendors
 - B. develop joint ventures with local firms
 - C. expand the exportation of raw materials
 - D. switch from exporting to overseas manufacturing
13. Due to the high demand for its handmade soaps in Canada, Fragrance Exotica, an Indian Soap manufacturer, has decided to open a new manufacturing unit in Canada, thereby expanding overseas. In this scenario, which of the following reasons prompted Fragrance Exotica to set up a manufacturing unit overseas?
- A. Manufacturer demands
 - B. Customer demands
 - C. Tax incentives
 - D. Trade barriers
14. Goals for market volume and profitability are usually set higher for international than domestic operations due to the _____.
- A. involvement of greater risks
 - B. presence of stable exchange rates
 - C. presence of stable market conditions
 - D. enforcement of government controls
15. _____ is the process by which a firm gradually changes in response to global competition; domestic market saturation; and the desire for expansion, new markets, and diversification.
- A. Integration
 - B. Segregation
 - C. Segmentation
 - D. Internationalization

Continued.....

16. Sigma Inc. is designed on the basis of the company's business activities such as production, finance, and marketing. Foreign operations at Sigma are integrated into the activities and responsibilities of each division to achieve economies of scale and operative specialization. In other words, Sigma has a(n) _____.
A. global functional structure
B. international division structure
C. domestic structure with export department
D. domestic structure with foreign subsidiary
17. Which of the following refers to focusing on and specializing in specific markets?
A. Implementation
B. Differentiation
C. Globalization
D. Integration
18. In order to maximize a firm's global human resources, IHR managers need to _____.
A. promote their organizations through word-of-mouth communication
B. develop line supervisors through extensive training programs
C. promote the role of women in international management
D. acquire low-cost resources
19. Lauryn, an American national, was sent to Japan on an assignment. According to her, it was during this time that she learned to understand situations from the viewpoint of local employees and business people. As an expatriate, which of the following skills did Lauryn attain?
A. Technical skills
B. Multiple perspectives
C. Tolerance for ambiguity
D. Ability to work with others
20. _____ is optimized when career opportunities provided by the organization are congruent with repatriate career goals and aspirations.
A. Productivity
B. Team management
C. Knowledge transfer
D. Organizational efficiency

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SECTION B (60 Marks)**Answer ALL THREE (3) questions.***Write your answers in the answer booklet provided. All questions carry equal marks.*

1. a. What is the European Union (EU)? Discuss how the EU affects both Europe and international managers working in Europe.
(10 marks)
- b. What level of social responsibility is expected from domestic firms? What level is expected from international firms?
(10 marks)
[20 marks]
2. a. What cultural variables create noise in cross-cultural communication? Explain methods of controlling cultural noise by referring to the steps in the communication process.
(10 marks)
- b. Describe the strategies of globalization and regionalization. When can each strategy be used most effectively?
(10 marks)
[20 marks]
3. a. What are the changes necessitating new structural designs for organizations?
(10 marks)
- b. According to Black and Gregersen's research, what practices should firms follow when making international assignments in order to ensure a high degree of job satisfaction and limited turnover?
(10 marks)
[20 marks]

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